

FISCAL NOTE

SB 2829 – HB 3952

March 3, 2008

SUMMARY OF BILL: Establishes the firefighter pay supplement to be in an amount of not less than \$600 nor more than five percent of a qualified firefighter's annual salary. Currently the pay supplement is \$600.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$8,179,500

Assumptions:

- There are an estimated 5,700 firefighters in Tennessee.
- The estimated average salary of a firefighter is approximately \$37,000 per year.
- Under the bill, the pay supplement could range from the current \$600 to an estimated \$1,850 (5% x \$37,000) per year per firefighter.
- If pay supplements exceed \$600 there will be an increased cost to the Department of Commerce and Insurance to fund the supplements.
- If all current firefighters receive the maximum supplement allowed under the bill, state expenditures will increase \$7,125,000 (5,700 firefighters x \$1,250 increase).
- In addition, there is an expected increase in participation of an estimated 10% (570) of firefighters who currently receive no supplement. The cost of increased participation is estimated to be \$1,054,500 if such firefighters receive the maximum supplement (570 firefighters x \$1,850).
- State expenditures are estimated to increase up to a maximum amount of \$8,179,500 (\$7,125,000 + \$1,054,500) if all current firefighters and new participants receive the maximum supplement allowed.
- In 2005, the average salary of a firefighter was reported for the following cities: Memphis (\$36,316), Nashville (\$34,897), Knoxville (\$34,569), Kingsport (\$34,315), Chattanooga (\$34,205), and Clarksville (\$33,332). It is assumed that these salaries are at the highest end of the pay range for a firefighter's salary.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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